

BOARD RULES

RULE 1 DEFINITIONS

1.1 ACT, BOARD, STATE, EXAMINATION, PRONOUNS

Throughout these Rules, the "Public Accountancy Act of 1975, as amended," codified as A.C.A. § 17-12-101 et seq., may be referred to as "the Act" and the Board of Public Accountancy as "the Board;" "this State" refers to the State of Arkansas; "examination" means the examination required for a certificate as a Certified Public Accountant prescribed by A.C.A. § 17-12-301 et seq.; and masculine terms shall include the feminine and, when the context requires, shall include partnerships, limited liability companies and corporations.

1.2 CLIENT

The person or entity which retains a licensee for the performance of professional services.

1.3 FINANCIAL STATEMENTS

Financial statements are statements and footnotes related thereto that purport to show actual or anticipated financial position which relates to a point in time or changes in financial position which relate to a period of time, including statements which use a cash or other comprehensive basis of accounting. The term includes balance sheets, statements of income, statements of changes in comprehensive income, statements of retained earnings, statements of cash flows and statements of changes in owners' equity, but does not include incidental financial data included in management advisory services reports to support recommendations to a client, nor does it include tax returns and supporting schedules.

1.4 FIRM

See A.C.A. § 17-12-103(a)(7)

1.5 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

"Generally accepted accounting principles" shall be deemed and construed to mean accounting principles or standards generally accepted in the United States. For purposes of these rules and regulations, generally accepted accounting principles are considered to be defined by pronouncements issued by the Financial Accounting Standards Board and its predecessor entities and similar pronouncements issued by other entities having similar generally recognized authority.

1.6 GENERALLY ACCEPTED AUDITING STANDARDS

"Generally accepted auditing standards" shall be deemed and construed to mean the generally accepted auditing standards adopted by the Board. The Board shall take into consideration interpretations of Generally Accepted Auditing Standards as issued by the American Institute of Certified Public Accountants and other pronouncements having similar generally recognized authority.

1.7 LICENSEE

See A.C.A. § 17-12-103(a)(9)

1.8 PRACTICE OF, OR PRACTICING PUBLIC ACCOUNTING

See A.C.A. § 17-12-103(a)(12)

1.9 PROFESSIONAL SERVICES

See A.C.A. § 17-12-103(a)(13)

1.10 PUBLIC COMMUNICATION

A public communication is a communication made in identical form to multiple persons or to the world at large, as by television, radio, motion picture, newspaper, pamphlet, mass mailing, letterhead, business card, electronic transmission or directory.

1.11 CERTIFICATE

See A.C.A. § 17-12-103(a)(5)

1.12 PERMIT TO PRACTICE

Permit to practice means a permit to practice public accountancy issued under prior provisions of the Act, or under corresponding provisions of the law of other states.

1.13 COMMISSION

An allowance or consideration paid upon completion of the transaction for recommending or referring a product or service to be supplied by another person.

1.14 PEER REVIEW

The process of reviewing the work product of a licensee by a qualified individual or firm, the purpose of which is to assure that professional services are performed consistent with applicable standards.

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